

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Harmony Y. Y. Ching, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998
Address: 2730 Wawae Road, Kalaheo, HI 96741

Project Name(*): HARMONY CONDOMINIUM

Address: 2750 Wawae Road, Kalaheo, Hawaii 96741

Registration No. 5391
(Conversion)

Effective date: November 22, 2005

Expiration date: December 22, 2006

Preparation of this Report:

This report has been prepared by the Developer pursuant to the condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

 PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(yellow)

 X **FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 [x] No prior reports have been issued.
 [] This report supersedes all prior public reports.
 [] This report must be read together with _____

 SUPPLEMENTARY: This report updates information contained in the:
(pink)
 [] Preliminary Public Report dated: _____
 [] Final Public Report dated: _____
 [] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports
 [] Must be read together with _____
 [] This report reactivates the _____
 public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior condominium Specialist at 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. There are County restriction on the number of residential units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit or any other type of structure, on the property.

1. There is presently one (1) residential structure on the property. The other buildings on the property is a storage shed, which may be defined as an "apartment" or "unit" under the Condominium Property Act.
2. This public report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it warrant that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.
3. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.
4. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Harmony Y. Y. Ching, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998

Phone: (808) 332-7941 _____

Name: Harmony Y. Y. Ching
2730 Wawae Road, Kalaheo, HI 96741-9348

Business Address: 2730 Wawae Road, Kalaheo, HI 96741-9348

Names of officers or general partners of developers who are corporations or partnerships:

N/A _____

Real Estate
Broker:

TBD (See Page 20)
Name

Phone: _____
(Business)

Business Address

Escrow:

Title Guaranty Escrow Services, Inc.
Name
235 Queen Street
Business Address
Honolulu HI 96813

Phone: (808)521-0211
(Business)

General
Contractor:

N/A
Name

Phone: _____
(Business)

Business Address

Condominium
Managing
Agent:

Name
Self-managed by Association of
Business Address
Apartment Owners

Phone: _____
(Business)

Attorney for
Developer:

Thomas D. Yano
Name
3083 Akahi Street, Suite 203
Business Address
Lihue HI 96766-1104

Phone: (808)245-8686
(Business)

For Entities:

name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2004-066859
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments (state name of document, date and recording/filing information):

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3736
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments (state name of document, date and recording/filing information):

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2004-066860
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above has been amended by the following instruments (state name of document, date and recording/filing information):

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	---	<u>75%</u>

*The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment pr Month Year

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation.. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 2750 Wawae Road Tax Map Key (TMK): (4) 2-4-01, parcel 51
Kalaheo, HI 96741

Address TMK is expected to change because of additional designation for CPR units

Land Area: 42,757 square feet acre(s) Zoning: R-2

Fee Owner: Harmony Y. Y. Ching, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998

Name: Harmony Condominium

Address: 2730 Wawae Road, Kalaheo, Hawaii 96741

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

1. New Building(s) conversion of Existing Building(s) Both New Building(s) and Conversion

2. Number of Buildings: 2 Floors Per Building Unit A - 1; Unit B - 1

Exhibit contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other

4. **Uses Permitted by Zoning:**

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input checked="" type="checkbox"/> Residential	1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Other: CPR shed	1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: no pets allowed, including, without limitation, chickens, pigs, roosters, dogs and/or nuisance animals are not permitted.

Number of Occupants: _____

Other: Private residential dwellings only, no hotel or timeshare use

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0- Stairways: -0- Trash Chutes: -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit A</u>	<u>1</u>	<u>3/2</u>	<u>1,635</u>	<u>400</u>	<u>Garage/carport</u>
<u>Unit B</u>	<u>1</u>	<u>-0-</u>	<u>-0-</u>	<u>16</u>	<u>shed</u>

Total Number of Apartments: 2

*NET Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

Per Section III(a) of the Declaration of Condominium Property Regime, the boundaries of each apartment shall be all perimeter walls, floors, foundations and roof of the building along with all fences, outbuildings, structures and improvements of any kind located wholly within the limited common element of the apartment.

Permitted Alterations to Apartments: As allowed by Kauai County zoning ordinances and recorded restrictions on the project, if any, upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime and the condominium map (Exhibit "A") will be required to disclose actual improvements as a matter of public record.

Apartments Designated for Owner-Occupants Only :

Fifty percent (50%) of residential apartments must be so designated, developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102 HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

II. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit E .

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit E.

as follows:

The portion of land set aside for the use of each owner of a unit as set forth in Exhibit A, subject to the roadway and utility easement, if any.

NOTE: The limited common element land area appurtenant to each unit is not subdivided land area.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purpose, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit C.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated October 6, 2003 and issued by Stewart Title Company, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[x] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage with Bank of America, N. A., A Texas corporation dated September 15, 1999 Recorded November 18, 1999 as Document No. 99-184108	If Developer Defaults or lien is Foreclosed prior to conveyance Buyer's interest will be forfeited and Buyer's Deposit will be returned to Buyer subject to no more than the \$250.00 maximum escrow cancellation fee.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None

2. Appliances: None

G. Status of Construction and Estimated Completion Date:

Unit A - dwelling and carport constructed in 1986.

Unit B – CPR shed constructed in 2002.

H. Project Phases:

The developer [] has [x] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer’s affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer
- self-managed by the Association of apartment Owners
- the Developer or the Developer’s affiliate.
- other _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit G* contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None
- Gas
- Water
- Other _____
- Electricity (_____ Common Elements only _____ Common Elements & Apartments)
- Sewer
- Television Cable

* Note: Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit B contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated June 3, 2004

Exhibit D contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

- 1) Either the final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**

B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Hawaii Administrative Rules (Chapter 107) are available online. Please refer to the following sites

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5391 filed with the Real Estate Commission on May 26, 2004.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. Additional Information Not Covered Above

This is a condominium project, not a subdivision. Therefore, units purchased are not subdivided lots. To determine whether your expectations can be realized, you should carefully review this Report.

You should also conduct your own investigations and ascertain the validity of information provided. Please remember that issuance of this Report does not mean the Real Estate Commission has approved the project.

A buyer should understand that development and use of the properties shall comply with all County Codes and Ordinances. If County of Kauai facilities are not already in place, the prospective purchaser is advised that owners in the project will not necessarily receive the same County benefits as owners of approved subdivided lots; owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

The Developers have provided copies of the Notice of Intention and Questionnaire, draft public report and Condominium Map to the Kauai County Planning Department. As of the effective date of this public report, no comments have been received.

Note Re: unrecorded non-exclusive easement

For this project there is an unrecorded non-exclusive easement for vehicular and pedestrian access and underground utility purposes affecting unit "A" and Lot 47-C-1-A in favor of Unit "B" containing an area of 5,385 square feet as depicted on the CPR map for this project.

Disclosure re building improvements on undeveloped unit

Developer(s), as the owners, may later develop a residential dwelling unit where the storage shed now stands and they will be sure to do so in compliance with all County codes and ordinances for same. If Developer chooses to build on unit B, he will submit a supplemental public report to the Real Estate Commission, State of Hawaii.

Disclosure regarding selection of a Real Estate Broker.

The Developer does not presently intend to use a real estate broker for the sale of the units in the project.

In the event the Developer chooses to use a real estate broker for the sale of a condominium unit, prior to entering into a binding contract for such sale, the Developer shall (1) submit to the real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii licensed real estate broker, together with a duly executed Disclosure Abstract identifying the designated broker, and (2) provide a copy of the Disclosure Abstract to the purchaser together with a copy of this Public report.

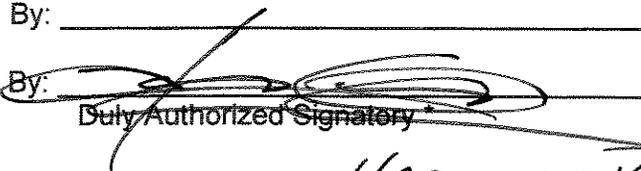
- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Name of Developer

Harmony Y. Y. Ching, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998

By: _____

By: _____

By:  _____ Date 11-22-2005

Duly Authorized Signatory

HARMONY Y. Y. CHING - OWNER
 Printed Name & Title of Person Signing Above

Harmony Y. Y. Ching, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998

Distribution:

Department of Finance, County of Kauai
 Planning Department, County of Kauai

*** Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner, Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

PETER TAYLOR
 ENGINEER & LAND SURVEYOR, INC.
 4370 KUKUI GROVE ST., SUITE 208
 HONOLULU, HAWAII 96766
 PH 808-955-1514 FAX 808-955-8929
 www.pta.com

NOTES:

- THE LOCATION, EXISTENCE, SIZE, DEPTH, CONDITION, AND CHARACTER OF ALL UTILITIES, SUBSURFACE WATER SYSTEM, CLOSURE OF STREETS, AND OTHER MATTERS SHOWN ON THIS MAP, HAS BEEN VERIFIED BY MEASUREMENTS AND/OR BY GOVERNMENTAL AND/OR UTILITY RECORDS, SHOULD BE CONTACTED FOR THIS INFORMATION.
- LOT 47-C-1-A IS SUBJECT TO FLOODING. SEE COUNTY APPROVED SUBM FOR LOCATION OF 100 FT FLOOD LINE.
- LOT 47-C-1-B HAS EASEMENT RIGHTS OVER & ACROSS LOT 47-C-1-A. RECORDED IN BOOK 21112 PAGE #63.
- THE TITLE SEARCH SHOWS GRANTS OF EASEMENT AFFECTING THIS PROPERTY AS FOLLOWS:
 1) BOOK 1533 PAGE 344.
 2) BOOK 1533 PAGE 344.
 3) BOOK 2112 PAGE 466.
 4) BOOK 2112 PAGE 466.
- OUTER BOUNDARY SURVEYED BY MASAO FUJISHIGE SURVEYOR.
- TWO EXISTING PIPES WERE FOUND BUT WERE AT A LOCATION DIFFERENT TO THE RECORD BY THE AZIMUTH & DISTANCE SHOWN ON THIS MAP. A REVIEW OF THE ORIGINAL GRANT & SUBM MAPS SHOW VARIATIONS IN THE AZIMUTH & DISTANCE. THIS MAP IS BASED UPON THE LATEST RECORDED SUBDIVISION MAP.
- THIS BOUNDARY LINE AND LOT CORNERS PIN WAS UTILIZED AS CONTROL STAKING THE CPR DIVISION LINE.

UNIT No.	DESCRIPTION OF UTILITIES	AREA
A	SINGLE FAMILY RESIDENCE MAIN FLOOR INCLUDING STAIRS 1,046 SQ FT LOWER FLOOR 402 SQ FT GARAGE UNDER MAIN FLOOR 400 Gross DECK COVERED 144 Gross ENTRANCE DECK 44 Gross TOTAL AREA 2,036 SQ FT	19 SQ FT
B	CPR STRUCTURE	19 SQ FT

FILE NAME: 202302DINGCPR12.MXD DATE: 02/07/23
 OWNER: HARMONY Y. Y. CHING,
 2750 WAWAEE ROAD,
 KALAHEO, HI 96741.

SITE PLAN
 "HARMONY CONDOMINIUM"
 BEING LOT 47-C-1-A
 PORTION OF LOT 47 KALAHEO HOMESTEAD 184 SERIES
 PORTION OF GRANT 5076 TO JAMES J. MARQUES
 KALAHEO, KAUAI, HAWAII
 TOTAL AREA OF LOT: 42,297 SQ FT
 1/4 MAP ACCT. (40) 2-4-51 PARCEL 51 LOT 47-C-1-A

THIS PROJECT DOES NOT INVOLVE THE SALE OF LAND OR INTERESTS IN LAND. THE CONDOMINIUM MAP IS FOR ILLUSTRATION PURPOSES ONLY. THEY REPRESENT EITHER A LIMITED COMMONS ELEMENT OR COMMON ELEMENT.

THIS MAP WAS PREPARED BY ME OR UNDER MY SUPERVISION
 Peter Taylor
 DATE: 01-11-2023 DRAWING: 1 OF 1

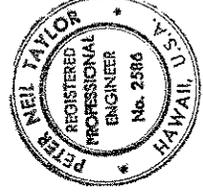


EXHIBIT A

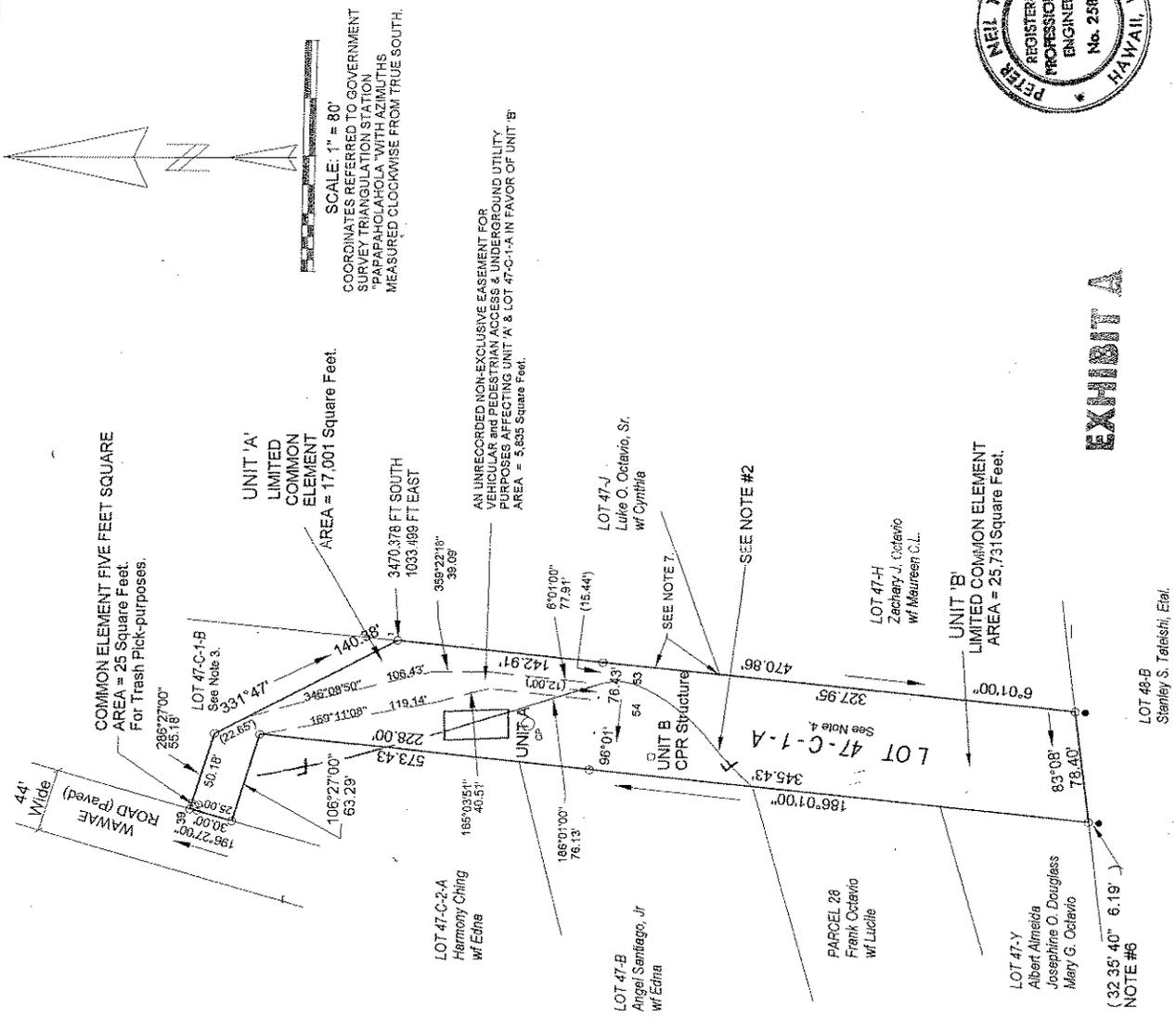


EXHIBIT B
SUMMARY OF SALES CONTRACT

The HARMONY CONDOMINIUM Purchase Agreement, (the "contract") contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price to the escrow agent, subject to other terms.
2. The closing date for the purchase.
3. Whether at the time of execution of the contract a final public report has been issued.
4. The terms and conditions of the sale which include, among other provisions, the following:
 - (a) That Buyer will receive a copy of the final public report for the project.
 - (b) Buyer agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement.
 - (c) After issuance of the Final Public Report and Buyer's waiver of its right to cancel under Hawaii Revised Statutes Section 514A-62, Buyer shall have the right to rescind the contract.
 - (d) Buyer has received a copy of the Escrow Agreement for the Project.
 - (e) The unit the buyer is purchasing will be shown on a file plan map prior to closing, and has the right to cancel if different from that shown on said file plan map.
 - (f) That a deed conveying clear title will be given at closing, subject to certain obligations.
 - (g) The Purchaser agrees to give future easements if reasonably required for the project.
 - (h) The Purchaser will accept the Unit "AS-IS" unless the contract states to the contrary.
 - (i) The payment of commissions, if any, is set out in the contract.
 - (j) Time is of the essence for the obligations of Buyer under the contract.

SPECIAL NOTICE

THE FOREGOING SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'S CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

END OF EXHIBIT B

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS FOR HARMONY
RESIDENTIAL CONDOMINIUM

Qty.	Apt. No.	'Area of Limited Common Element	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Shed Area (Sq. Ft.)	% of Common Int.
1	"A"	17,001 s.f.	3/2	2,035 s.f.		45%
1	"B"	25,731 s.f.	- 0 -	16 s.f.		55%

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration, each unit owner may use his unit, alter or add to its structure in any manner s/he deems desirable, so long as it is permitted by the Declaration of Protective Covenants and House Rules. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration together with their respective signatures and acknowledgment by the Association of Unit Owners that such change is being made.

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. (the "Escrow") and Harmony Y. Y. Ching, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998 (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver a executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.

3. Escrow will release Buyer's funds and disburse Buyer's funds at closing. No disbursement will be made from Buyer's fund until all requirements of Hawaii Revised Statutes ("HRS") have been met.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with HRS Section 514A-62 there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to HRS Section 514A-63. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow, but in the aggregate shall not be less than \$25.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive \$300.00 for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances or the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional \$300.00.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

* * * * *

END OF EXHIBIT D

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

One freehold estate is hereby designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

(a) The land in fee simple;

(b) All commonly used present or future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;

(c) Any and all other future elements and facilities in common use or necessary to the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, herein referred to as the "limited common elements" are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved as follows:

That certain land area upon and around which Units A and B are located, shown and designated on the Condominium Map and the table below, are deemed a limited common element appurtenant to and for the exclusive use of each respective unit.

<u>Unit</u> <u>Number</u>	<u>Area of</u> <u>Limited Common Element</u>
A	17,001 sq. ft.
B	25,731 sq. ft.

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

NOTE: Land areas herein described are not legally subdivided lots.

END OF EXHIBIT E

TITLE INSURANCE COMMITMENT
BY



STEWART TITLE®
GUARANTY COMPANY

AGREEMENT TO ISSUE POLICY

We agree to issue policy to you according to the terms of the Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-II.
- The Conditions on Page 2.

This Commitment is not valid without SCHEDULE A and Sections I and II of SCHEDULE B.

THIS COMMITMENT IS NOT AN ABSTRACT, EXAMINATION, REPORT OR REPRESENTATION OF FACT OR TITLE AND DOES NOT CREATE AND SHALL NOT BE THE BASIS OF ANY CLAIM FOR NEGLIGENCE, NEGLIGENT MISREPRESENTATION OR OTHER TORT CLAIM OR ACTION. THE SOLE LIABILITY OF COMPANY AND ITS TITLE INSURANCE AGENT SHALL ARISE UNDER AND BE GOVERNED BY PARAGRAPH 4 OF THE CONDITIONS.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.


Chairman of the Board

STEWART TITLE
GUARANTY COMPANY




President

Countersigned:


Authorized Countersignature

Security Title Corporation
Company

Honolulu, Hawaii
City, State

EXHIBIT F

CONDITIONS

1. DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument. (b) "Public Records" means title records that give constructive notice of matters affecting your title – according to the state statutes where your land is located.

2. LATER DEFECTS

The Exceptions in Schedule B – Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B – Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the policy referred to in this Commitment when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

Comply with the Requirements in Schedule B – Section 1

Or

Eliminate with our written consent any Exceptions shown in Schedule B – Section II

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms.

Stewart Title Guaranty Company
COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

1. Commitment Date: **March 30, 2004 at 8:00 A.M.** Escrow/Title No. 00411228

2. Policy or Policies to be issued:

(a) **Condition of Title** Amount: **\$ 1,000.00**
Proposed Insured:
Harmony Ching

(b) **None** Amount: \$
Proposed Insured:

(c) **None** Amount: \$
Proposed Insured:

3. The Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date, by:

HARMONY Y. Y. CHING, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998, which Trustee is empowered under paragraph 7.03 of Article VII of said trust to hold, develop, lease, assign, convey, sell, encumber and/or otherwise deal with and dispose of real property

4. The land referred to in this Commitment is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO

vpp

SCHEDULE B — SECTION 1

REQUIREMENTS

The following requirements must be met:

1. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
2. Pay us the premiums, fees and charges for the policy.
3. Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered, and recorded.
4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
5. You must give us the following documentation on a Construction Loan if any work has commenced on the subject property:
 1. Indemnity Agreement
 2. Financial Statement for all Indemnitors
 3. Loan Agreement
 4. Construction Cost Breakdown
 5. Performance Bond

NOTE: If Owner-Builder construction, please contact the Title Department for additional requirements.

6. Verification that all assessments and/or association fees are current prior to recordation.
7. This is a status report only. Should a Policy for Title Insurance be requested, additional requirements may be necessary

**SCHEDULE B — SECTION 2
EXCEPTIONS**

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART I:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claim of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage on area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims, or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**SCHEDULE B — SECTION 2
EXCEPTIONS**

PART II:

1. TAXES Tax Map Key: KAUAI 2-4-001-051

KAUAI 2003-2004 TAX ROLL

	2003 VALUE	EXEMPTION	NET
BLDG	106,200	0	106,200
LAND	200,100	0	200,100
TOTAL	306,300		306,300

Taxes for the Fiscal Year 2003-2004 are a lien; payable as follows:

1st Installment:	\$788.23	PAID
2nd Installment:	\$788.22	PAID

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. GRANT

In Favor of: Kauai Electric Company, Limited, a Hawaii corporation
Dated: April 14, 1936
Book: 1333
Page: 344
Purpose: Easement for utility purposes over, under, across and through the land herein described.

4. GRANT

In Favor of: Citizens Utilities Company, a Delaware corporation
Dated: January 06, 1986
Book: 19251
Page: 681
Purpose: Easement for utility purposes over, under, across and through that certain easement area designated as Easement "E-3", affecting the land herein described.

5. A building setback line as shown on the subdivision map prepared by Masao Fujishige, Registered Professional Surveyor, Certificate No. 1065, dated May 13, 1987.

6. A 100 year flood line as shown on the subdivision map prepared by Masao Fujishige, Registered Professional Surveyor, Certificate No. 1065, dated May 13, 1987.

SCHEDULE B — SECTION 2 (CONTINUED)

7. GRANT

In Favor of: Carolyn L. Carveiro, single, as Tenant in Severalty
Dated: September 04, 1987
Book: 21112
Page: 468
Purpose: granting a vehicular access and utility easement over and across Lot 47-C-1-A, containing an area of 0.048 acre, more or less, in favor of Lot 47-C-1-B.

8. MORTGAGE

Mortgagor: Harmony Yun Yuen Ching and Edna Tsuyako Ching, husband and wife
Mortgagee: North American Mortgage Company, which is organized and existing under the laws of Delaware
Dated: March 10, 1999
Recorded: March 16, 1999
Document No. 99-038761
To Secure: \$167,000.00
and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

The foregoing mortgage was assigned by the following:

ASSIGNMENT OF MORTGAGE AND NOTE

Assignor: North American Mortgage Company
Assignee: Bank of America, N.A., a Texas corporation
Dated: September 15, 1999
Recorded: November 18, 1999
Document No. 99-184108

9. The terms and provisions of that certain Harmony Y. Y. Ching Revocable Trust dated April 29, 1998, to which reference is hereby made.

SCHEDULE B — SECTION 2 (CONTINUED)

10. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "HARMONY CONDOMINIUM":

Acknowledged: November 13, 2003
Document No. 2004-066859

Condominium Map No. 3736, to which reference is hereby made.

The foregoing Condominium Property Regime consist of:

<u>Unit Number:</u>	<u>Common Interest</u>
UNIT A	40%
UNIT B	60%

11. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF "HARMONY CONDOMINIUM"

Dated: November 12, 2003
Document No. 2004-066860

EXHIBIT "A"

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Land Patent Grant Number 5376 to James J. Marques), being LOT 47-C-1-A (Map dated May 13, 1987), situate, lying and being at Kalaheo, District of Koloa, Island and County of Kauai, State of Hawaii, being more particularly described as per survey of Peter N. Taylor, Licensed Professional Land Surveyor, Certificate No. 9149, dated November 03, 1997, to-wit:

Beginning at a pipe at the Southwest corner of this parcel of land and on the East Right of Way line of Wawae Road (Road Widening Dedication Lot 47-C-6), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PAPAPAHOLAHOLA" being 3359.82 feet South and 905.72 feet East, and running by azimuths measured clockwise from true South:

1. 196° 27' 30.00 feet along Wawae Road (Road widening dedication Lot 47-C-6);
2. 286° 27' 55.18 feet along Lot 47-C-1-B;
3. 331° 47' 140.38 feet along Lot 47-C-1-B;
4. 6° 01' 470.86 feet along Lots 47-J and 47-H;
5. 83° 08' 78.40 feet along Lot 48-B;
6. 186° 01' 573.43 feet along Lots 47-Y, Parcel 28, Lot B and 47-C-2-A;
7. 106° 27' 63.29 feet along Lot 47-C-2-A to the point of beginning and containing an area of 42,757 square feet, more or less.

Being all of the land conveyed by:

WARRANTY DEED TO TRUST

Grantor: Harmony Yun Yuen Ching and Edna Tsuyako Ching, husband and wife
Grantee: **HARMONY Y.Y. CHING, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998, which Trustee is empowered under paragraph 7.03 of Article VII of said trust to hold, develop, lease, assign, convey, sell, encumber and/or otherwise deal with and dispose of real property**

Dated: December 31, 2001
Document No. 2002-094531

Client's Copy



R-948

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

MAY 29, 2002 11 00 AM

Doc No(s) 2002-094531



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BY CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES
CONVEYANCE TAX \$0.00

LAND COURT

REGULAR SYSTEM

After recordation, return by Mail [X] Pickup []

Harmony Y. Y. Ching
2730 Wawae Road
Kalaheo, Hawaii 96741

4 Pages Total

Title of Document:

Warranty Deed to Trust

Tax Map Key: (4) 2-4-01-51

Located at: 2750 Wawae Road, Kalaheo, Hawaii

Warranty Deed to Trust

This Deed, made this 31st day of December, 2001, by **Harmony Yun Yuen Ching**, and **Edna Tsuyako Ching**, husband and wife, whose residence and mailing address is 2730 Wawae Road, Kalaheo, Hawaii 96741, hereinafter called the "Grantor", and **Harmony Y. Y. Ching**, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998, whose residence and mailing address is 2730 Wawae Road, Kalaheo, Hawaii 96741, which Trustee is empowered under paragraph 7.03 of Article VII of said trust to hold, develop, lease, assign, convey, sell, encumber and/or otherwise deal with and dispose of real property, hereinafter called the "Grantee".

WITNESSETH:

For TEN DOLLARS (\$10.00) and other good and valuable consideration to the Grantor paid by the Grantee, the receipt of which is hereby acknowledged, the Grantor does hereby grant, bargain, sell and convey unto the Grantee, as TENANT IN SEVERALTY, his successors and permitted assigns, in fee simple, forever, the property, situated on the Island of Kauai, State of Hawaii, and more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

And the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto;

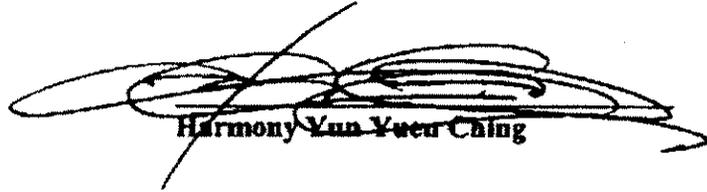
TO HAVE AND TO HOLD the same, together with all buildings, improvements, rights, easements, privileges and appurtenances thereon and thereto belonging or appertaining or held and enjoyed therewith, unto the Grantee according to the tenancy herein set forth, forever.

AND, in consideration of the premises, the Grantor does hereby covenant with the Grantee that the Grantor is seized of the property herein described in fee simple; that said property is free and clear of and from all liens and encumbrances, except for the lien of real property taxes not yet by law required to be paid, and except as may be specifically set forth herein; that the Grantor has good right to sell and convey said property, as aforesaid; and, that the Grantor will **WARRANT AND DEFEND** the same unto the Grantee against the lawful claims and demands of all persons, except as aforesaid.

The conveyance herein set forth and the warranties of the Grantor concerning the same are expressly declared to be in favor of the Grantee, his successors and permitted assigns.

The terms "Grantor" and "Grantee", as and when used herein, or any pronouns used in place of thereof, shall mean and include the masculine, feminine or neuter, the singular or plural number, individuals, partnerships, trustees or corporations and their and each of their respective successors, heirs, personal representatives, successors in trust and assigns, according to the context thereof. All covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed elsewhere herein.

IN WITNESS WHEREOF, the undersigned executed these presents as of the day and year first above written.


Harmony Yun Yuen Ching


Edna Tsuyako Ching

"Grantor"

STATE OF HAWAII)
CITY OF) ss.
COUNTY OF KAUAI + Honolulu)

On this 31st day of December, 2001, before me personally appeared **Harmony Yun Yuen Ching, and Edna Tsuyako Ching, husband and wife**, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.




C. AGENA
Notary Public, State of Hawaii

My commission expires: June 16, 2002

EXHIBIT "A"
LOT 47-C-1-A
(Map dated May 13, 1987)

Situated at Kalaheo in the District of Koloa, Kauai, Hawaii;
Portion of Land Patent (Grant) No.5376 to James J. Marques.

Beginning at a pipe at the Southwest corner of this parcel of land and on the East Right of Way line of Wawae Road (Road Widening Dedication Lot 47-C-6), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PAPAPAHOLAHOLA" being 3359.82 feet South and 955.72 feet East and running by azimuths measured clockwise from true South

1. 196° 27' 30.00 feet along Wawae Road (Road widening dedication Lot 47-C-6);
2. 286° 27' 55.18 feet along Lot 47-C-1-B.
3. 331° 47' 140.38 feet along Lot 47-C-1-B;
4. 6° 01' 470.86 feet along Lots 47-J and 47-H.
5. 83° 08' 78.40 feet along Lot 48-B;
6. 186° 01' 573.43 feet along Lots 47-Y, Parcel 28, Lot B and 47-C-2-A;
7. 106° 27' 63.29 feet along Lot 47-C-2-A to the point of beginning / and containing an Area of 42,757 square feet more or less.

SUBJECT, However to a one hundred year flood line.

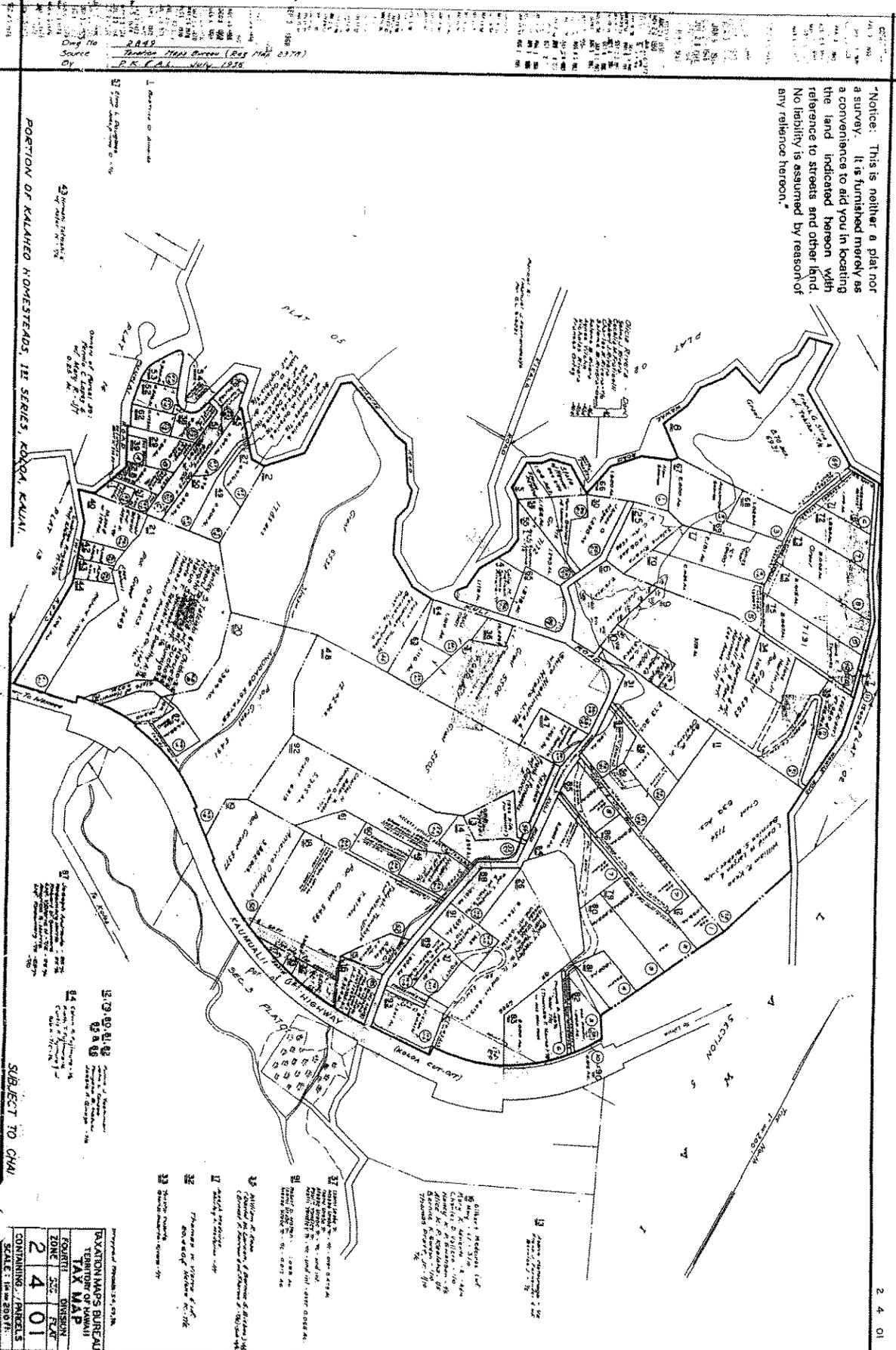
Any and all other liens, encumbrances, easements, restrictions and reservations of record, if any.

NOTE:

This metes and bounds description is recited from Masao Fujishige's Subdivision Map dated May 13, 1987.

END OF EXHIBIT "A"

"Notice: This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated hereon with reference to streets and other land. No liability is assumed by reason of any reliance hereon."



2 187
 Source: Topo Bureau (Ref. Map 2379)
 City: P.K. CAL. JULY 1938

PORTION OF KALAHEO HOMESTEADS, 1ST SERIES, KŌHALA KŪĀI

SUBJECT TO CHAL

Prepared Pursuant to P.L. 1938

TAXATION MAPS BUREAU	
TERRITORY OF HAWAII	
TAX MAP	
FOURTH	SECTION
2	4
01	01

CONTAINING 7 PARCELS
 SCALE: 1" = 200 FT.
 DATE: 1938

EXHIBIT G

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
2	\$6,150.00 as set forth hereinbelow

The Real Estate commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning		
Electricity		\$125.00 X 12 = \$1,500.00/year
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Elevator	N/A	
Gas		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection	N/A	\$50.00 X 12 = \$600.00/year
Telephone		\$35.00 X 12 = \$420.00/year
Water and (Sewer N/A)		

Maintenance, Repairs and Supplies

Building	N/A	
Grounds	N/A	
Cesspool pumping		\$100.00/year

Management

Management Fee	N/A
Payroll and Payroll Taxes	N/A
Office Expenses	N/A

Insurance

\$1,530.00/year

Reserves(*)

Taxes and Government Assessments

\$2,000.00/year

Audit Fees

Other

TOTAL

\$6,150.00

I, HARMONY Y.Y. CHING, as agent for/and/or employed by HARMONY CPR AOAD, the condominium managing agent/developer, for the HARMONY condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Signature

11/12/03
Date

(*) The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

END OF EXHIBIT G

THE ORIGINAL OF THIS DOCUMENT
BE FORWARDED TO THE
STATE OF HAWAII

BUREAU OF CONVEYANCES
AUG 24 2005 TIME 802

FILE NO. 2005-168217

AFTER RECORDATION, RETURN BY MAIL TO:

THOMAS D. YANO, ESQ.
3083 Akahi Street, Suite 203
Lihue, Kauai, Hawaii 96766-1104

TITLE OF DOCUMENT: **DECLARATION OF PROTECTIVE COVENANTS
AND HOUSE RULES FOR HARMONY
CONDOMINIUM**

PARTIES TO DOCUMENT:

Fee Owners: HARMONY Y. Y. CHING, Trustee of the Harmony Y. Y. Ching
Revocable Trust dated April 29, 1998
Developer : HARMONY Y. Y. CHING, Trustee of the Harmony Y. Y. Ching
Revocable Trust dated April 29, 1998

PROPERTY DESCRIPTION:

LIBER/PAGE:

TMK NO: 2-8-11-6 (4)

DOCUMENT NO.:

TRANSFER CERTIFICATE
OF TITLE NO:

EXHIBIT H

KNOW ALL MEN BY THESE PRESENTS:

**DECLARATION OF PROTECTIVE COVENANTS
AND HOUSE RULES
HARMONY CONDOMINIUM**

HARMONY Y. Y. CHING, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998 , as the Fee Owner, and HARMONY Y. Y. CHING, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998 , as the Developer of HARMONY CONDOMINIUM declare the following:

The purpose of these Protective Covenants and House Rules is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of the HARMONY CONDOMINIUM, hereinafter referred to as "Project", and to provide for the maximum enjoyment of the premises, with protection of all owners' reasonable expectations. All owners and occupants, their agents, employees and invitees shall be bound by these House Rules and by standards of reasonable conduct, whether covered by these House Rules or not.

1. **Definitions.** As used herein:
 - a. "Area" refers to the limited common element set aside for the exclusive use of each Unit owner.
 - b. "Unit" refers to the entire condominium interest held by an owner.

2. **Building Permits.** Any owner desiring to construct any improvements in a unit will have to comply with the Kauai County building and zoning codes, as the same may be changed from time to time. Each owner will be solely responsible for their own unit, for the purpose of securing building permits, if any, for their own unit(s).

3. **Water and Utilities.** The water, electric and telephone lines are fully operational. Water, electricity and telephone are separately metered and billed. Each Unit Owner will be required to connect future service of utilities to the respective improvements at their own cost and expense.

4. **Cesspools.** There are no sewer lines and no sanitary sewer system. Each Unit has its own cesspool or septic system, located in their respective limited common element Area, and will maintain same at their own expense.

5. **Driveway.** Each Unit owner will be responsible for clearing all vegetation and growth from any limited common element to the extent it enters the driveway.

6. **Pets and Animals/Noise in General.** The following animals shall be precluded from possession by owners or occupants of the Project: dogs, cats, chickens, pigs, roosters, and any animals that create levels of noise or odors that are annoying or otherwise apparent to persons located on the inside or outside of any structures in the Project. In the event a complaint is substantiated, offending owner(s) shall have thirty (30) days in which to remedy the problem or to dispose of the offending animals.

Quiet shall prevail at all times between 10:00 p.m. and 8:00 a.m. except on United States or Chinese New Years' Eve and on July 4th.

7. **Visible Activities Precluded.** The following are prohibited: Storage of recreational equipment in any place visible to persons outside any improvement in the Project; this includes but is not limited to surfboards, boogie boards, windsurfing equipment, bicycles, diving equipment and any other recreational equipment.

8. **Vehicles/Equipment.** No inoperable vehicles, motorcycles, trucks or equipment shall be stored on the project for more than 24 hours. No more than three (3) operable vehicles are allowed for either unit, except for guests who park in the owners space(s), or who park in designated visitor parking for less than 24 hours.

9. **Common Area Land.** The Association shall determine and control the use of the Common Area lands, including but not limited to use for landscaping, recreation, maintenance and/or any other use which may be decided upon by the Association from time to time.

10. **Appearance of Project.** No exterior color of the Project may be changed, and no visible addition, deletion or change to the Project or any structure thereupon may be made without the unanimous consent of all Units.

11. **Common Element Expenses and Enforcement.** The Association shall provide for such Common Area expenses necessary or desirable to maintain and keep the Project in acceptable condition. The Association shall have the power to enforce these Rules, including the assessment of the common expenses and the filing of a lien against any Unit owner failing to observe these House Rules.

12. **Repeal or Modification.** These may be repealed or modified by Developer at any time prior to issuance of the Final Public Report by the State of Hawaii Real Estate Commission. Thereafter they may be modified by an affirmative vote of the holders of 75% of the common interests in the Project.

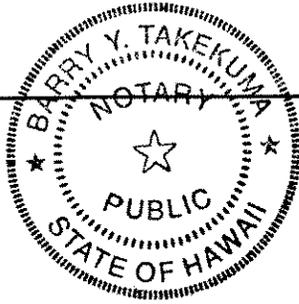
Adopted at Lihue, Kauai, Hawaii, this 19 day of August, 2005



Harmony Y. Y. Ching,
Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998

STATE OF HAWAII)
) ss:
COUNTY OF KAUAI)

On this 19 day of August, 2005, before me personally appeared HARMONY Y. Y. CHING, Trustee of the Harmony Y. Y. Ching Revocable Trust dated April 29, 1998, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.



Barry Y. Takekuma

Notary Public, State of Hawaii
My Commission Expires: 12/28/07
BARRY Y TAKEKUMA